The Centennial College of Applied Arts & Technology

Financial Statements

For the year ended March 31, 2023

The Centennial College of Applied Arts & Technology
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Management's Responsibility for Financial Reporting

The financial statements of Centennial College of Applied Arts and Technology (the "College") are the responsibility of management and have been approved by the Board of Governors.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the College`s assets are appropriately accounted for and adequately safeguarded.

The College`s insurance liabilities have been reviewed by management in consultation with its broker. There are no material liabilities in either fact or contingency as at the date of this report.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit and Risk Management Committee (the "Committee").

The Committee is appointed by the Board of Governors and meets regularly with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements and the external auditor`s report. The Committee reports its findings to the Board for consideration when approving the financial statements. The Committee also considers, for review and approval by the Board, the engagement or re-appointment of the external auditors.

The financial statements have been audited by BDO Canada LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. BDO Canada LLP has full and free access to the Committee.

College President

CFO and Vice President Business Development

June 22, 2023

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BDO Canada LLP
360 Oakville Place Drive, Suite 500
Oakville ON L6H 6K8 Canada

Independent Auditor's Report

To the Board of Governors of The Centennial College of Applied Arts and Technology

Opinion

We have audited the financial statements of The Centennial College of Applied Arts and Technology (the "College"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets, cash flows and remeasurement gains and losses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2023, and the results of its operations, its cash flows, and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
June 22, 2023

The Centennial College of Applied Arts & Technology
Statement of Financial Position

March 31		2023		2022
				(Restated) (Note 22)
Assets				
Current				
Cash (Note 3)	$	**120,775,472**	$	149,550,606
Investments (Notes 2, 3)		**291,241,611**		150,629,141
Accounts receivable		**17,346,951**		13,386,463
Inventory		**471,812**		415,649
Prepaid expenses		**11,956,022**		10,535,711
		441,791,868		324,517,570
Prepaid land lease (Note 5)		**7,297,192**		7,391,961
Long-term receivable (Notes 6)		**-**		2,366,926
Construction in progress (Note 7)		**94,958,246**		53,208,408
Capital assets (Note 8)		**392,927,374**		370,885,734
	$	**936,974,680**	$	758,370,599
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	$	**72,456,721**	$	47,541,402
Deferred revenue (Note 9)		**248,159,190**		181,854,594
Vacation pay		**15,111,404**		14,350,089
Bank loans (Note 10)		**751,999**		939,999
Term debt (Note 11)		**3,335,691**		4,180,764
Current portion of long-term debt		**2,496,579**		2,409,159
		342,311,584		251,276,007
Post-employment benefits and compensated absences (Note 12)		**6,948,000**		6,595,000
Long-term debt		**11,536,877**		14,033,455
Residence and culinary arts centre liability (Note 4)		**19,164,080**		19,174,124
Residence and culinary arts centre deferred revenue (Note 4)		**50,973,516**		52,172,892
Deferred contributions (Note 13)		**6,717,073**		9,950,291
Deferred capital contributions (Note 14)		**190,346,838**		154,280,727
Deferred capital contributions relating to prepaid land lease (Note 5)		**7,297,192**		7,391,961
Deferred capital contributions relating to construction in progress (Note 15)		**69,628**		36,287
Interest rate swap (Note 11)		**144,734**		378,445
Asset retirement obligations (Note 23)		**6,118,726**		5,922,112
		641,628,248		521,211,301
Net Assets				
Unrestricted				
Operating		**45,075,026**		(16,438,809)
Post-employment benefits and compensated absences (Note 12)		**(6,948,000)**		(6,595,000)
Vacation pay		**(15,111,404)**		(14,350,089)
		23,015,622		(37,383,898)
Invested in capital assets (Note 16)		**207,625,789**		175,522,079
Internally restricted (Note 17)		**42,106,443**		79,469,058
Externally restricted (Note 18)		**21,497,505**		19,930,504
		294,245,359		237,537,743
Accumulated remeasurement gains and losses		**1,101,073**		(378,445)
		295,346,432		237,159,298
	$	**936,974,680**	$	758,370,599

On behalf of the Board:

Susan Caldwell Chair

Craig President

The accompanying notes are an integral part of these financial statements.

The Centennial College of Applied Arts & Technology
Statement of Operations

For the year ended March 31	2023	2022 (Restated) (Note 22)
Revenue		
Grants and reimbursements (Schedule 1)	**$ 77,983,232**	$ 78,370,155
Enrolment revenues	**335,297,437**	225,111,431
Contract training	**884,104**	651,424
Deferred contributions recognized as revenue (Note 13)	**5,885,424**	6,894,134
Amortization of deferred capital contributions	**11,766,661**	10,066,293
Other income	**31,710,619**	21,231,656
Ancillary operations (Schedule 2)	**3,732,626**	1,640,381
	467,260,103	343,965,474
Expenses		
Salaries and benefits	**248,173,438**	226,163,760
Operating expenditures	**93,200,383**	59,849,081
Plant and property expenditures	**23,936,723**	20,699,757
Amortization of capital assets and prepaid land lease (Notes 5, 8)	**38,186,462**	36,080,141
Bursaries and scholarships	**5,910,424**	6,894,134
Ancillary operations (Schedule 2)	**2,712,058**	1,944,493
	412,119,488	351,631,366
Excess (deficiency) of revenue over expenditures for the year	**$ 55,140,615**	$ (7,665,892)

The accompanying notes are an integral part of these financial statements.

The Centennial College of Applied Arts & Technology
Statement of Changes in Net Assets

			March 31, 2023							
		Unrestricted		Capital		Restricted				
		General		Invested in Capital assets (Note 16)		Internally Restricted (Note 17)		Externally Restricted (Note 18)		Total
Balance, beginning of year	$	(37,383,898)	$	175,522,079	$	79,469,058	$	19,930,504	$	237,537,743
Endowments received during the year		-		-		-		1,567,001		1,567,001
Transfers, internally restricted scholarships & bursaries		(5,816,569)		-		5,816,569		-		-
Transfers, internally restricted building improvements fund		43,179,184		-		(43,179,184)		-		-
Excess (deficiency) of revenues over expenditures		81,491,736		(26,351,121)		-		-		55,140,615
Investment in capital assets		(58,454,831)		58,454,831		-		-		-
Balance, end of year	$	23,015,622	$	207,625,789	$	42,106,443	$	21,497,505	$	294,245,359

The Centennial College of Applied Arts & Technology
Statement of Changes in Net Assets (continued)

March 31, 2022 (Restated - Note 22)

	Unrestricted	Capital	Restricted		
	General	Invested in capital assets (Note 16)	Internally Restricted (Note 17)	Externally Restricted (Note 18)	Total
Balance, beginning of year	$ (23,529,735)	$ 151,194,377	$ 102,722,212	$ 19,517,240	$ 249,904,094
Change in accounting policy (Note 22)	(5,113,723)	-	-	-	(5,113,723)
Balance, beginning of year restated	(28,643,458)	151,194,377	102,722,212	19,517,240	244,790,371
Endowments received during the year	-	-	-	413,264	413,264
Transfers, internally restricted scholarships & bursaries	(2,189,491)	-	2,189,491	-	-
Transfers, internally restricted building improvements fund	25,442,645	-	(25,442,645)	-	-
Excess (deficiency) of revenues over expenditures	18,279,279	(25,945,171)	-	-	(7,665,892)
Investment in capital assets	(50,272,873)	50,272,873	-	-	-
Balance, end of year	$ (37,383,898)	$ 175,522,079	$ 79,469,058	$ 19,930,504	$ 237,537,743

The accompanying notes are an integral part of these financial statements.

The Centennial College of Applied Arts & Technology
Statement of Cash Flows

For the year ended March 31		2023		2022 (Restated) (Note 22)
Cash provided by (used in)				
Operating activities				
Excess (deficiency) of revenue over expenditures for the year	$	**55,140,615**	$	(7,665,892)
Items not involving cash:				
Amortization of unrestricted capital assets		**26,419,798**		26,013,848
Amortization of restricted capital assets		**11,671,895**		9,971,525
Amortization of prepaid land lease		**94,769**		94,768
Amortization of deferred capital contributions		**(11,671,895)**		(9,971,525)
Amortization of deferred capital contributions relating to prepaid land lease		**(94,769)**		(94,768)
Amortization of deferred revenue on residence and culinary arts centre		**(1,199,376)**		(1,199,377)
Deferred contributions recognized as revenue in the year		**(5,885,424)**		(6,894,134)
Accretion of asset retirement obligation (Note 22)		**196,614**		190,296
		74,672,227		10,444,741
Changes in non-cash working capital items				
Accounts receivable		**(3,960,488)**		6,502,451
Inventory		**(56,163)**		(112,099)
Prepaid expenses		**(1,420,311)**		(4,537,900)
Accounts payable and accrued liabilities		**24,915,319**		3,312,875
Accrual for vacation pay		**761,315**		991,519
Accrual for post-employment benefits and compensated absences		**353,000**		(23,000)
Deferred revenue		**66,304,596**		59,632,309
		161,569,495		76,210,896
Investing activities				
Decrease in long-term receivable		**2,366,926**		3,056,117
Purchase of investments		**(327,333,105)**		(78,003,424)
Proceeds on disposal of investments		**184,901,677**		73,624,834
		(140,064,502)		(1,322,473)
Financing activities				
Deferred contributions received during the year		**5,716,971**		8,245,319
Repayment of bank loans		**(188,000)**		(188,000)
Repayment of term debt		**(3,254,231)**		(3,117,068)
Repayment of residence and culinary centre liability		**(10,044)**		(9,258)
Endowment contributions received		**1,567,001**		413,264
		3,831,697		5,344,257
Capital activities				
Contributions received for capital purposes		**47,738,006**		4,999,496
Contributions received for construction in progress		**33,341**		34,955
Purchase of assets under construction (Note 7)		**(41,749,838)**		(33,568,651)
Purchase of capital assets		**(60,133,333)**		(20,490,353)
		(54,111,824)		(49,024,553)
Increase (decrease) in cash during the year		**(28,775,134)**		31,208,127
Cash, beginning of year		**149,550,606**		118,342,479
Cash, end of year	$	**120,775,472**	$	149,550,606

The accompanying notes are an integral part of these financial statements.

The Centennial College of Applied Arts & Technology
Statement of Remeasurement Gains and Losses

For the year ended March 31		2023		2022
Accumulated remeasurement losses, beginning of year	**$**	**(378,445)**	$	(787,098)
Unrealized gains attributable to:				
Derivative - interest rate swap		**233,711**		408,653
Unrealized gains on unrestricted investments		**1,245,807**		-
Net remeasurement gains for the year		**1,479,518**		408,653
Accumulated remeasurement gains and losses, end of year	**$**	**1,101,073**	$	(378,445)

The accompanying notes are an integral part of these financial statements.

Description of Organization

The Centennial College of Applied Arts and Technology (the “College”), established in 1967, is an Ontario college of applied arts and technology duly established pursuant to Ontario regulation 34/03 made under the Ontario Colleges of Applied Arts and Technology Act, 2002. The College is an agency of the Crown and provides post-secondary, vocationally oriented education in the areas of applied arts, business, health sciences and technology.

The College is a government not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

1. Significant Accounting Policies

Basis of presentation

The financial statements of the College have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board (“PSAS for Government NPOs”).

Revenue recognition

The College follows the deferral method of accounting for contributions, which includes donations and government grants. Enrolment and contract training revenues are recognized as income to the extent that the related courses and services are provided within the fiscal year of the College.

Other income and ancillary revenues including parking, bookstore, residence and other sundry revenues are recognized when products are delivered or services are provided to the student or client where the sales price is fixed and determinable, and collection is reasonably assured.

Unrestricted contributions are recognized as revenue when received or receivable.

Externally restricted contributions and restricted investment income are recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in endowed net assets.

Valuation of inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on the first-in first-out basis.

1. **Significant Accounting Policies** (continued)

Capital assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its net realizable value.

Construction in progress is recorded separately from capital assets until construction is complete and the asset is put into service.

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

Buildings	20, 40 or 49 years
Buildings - AROs	7 years
Large machinery	20 years
Building improvements	10 years
Site improvements	10 years
Leasehold improvements	Over the term of the lease
Computer software	5 years
Furniture, equipment and computers	5 or 10 years

Vacation Pay

The College recognizes vacation pay as an expense on the accrual basis.

Retirement and post-employment benefits and compensated absences

The College provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vested sick leave and non-vested sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

(i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.

(ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.

(iii) The cost of vested and non-vested sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.

1. **Significant Accounting Policies** (continued)

Retirement and post-employment benefits and compensated absences *(continued)*

(iv) The discount used in the determination of the above-mentioned liabilities is equal to the College's internal rate of borrowing.

Financial instruments

The College classifies its financial instruments as either fair value or amortized cost. The College's accounting policy for each category is as follows:

(i) Fair value

This category includes investments with the exception of guaranteed investment certificates (GIC's). The College has designated its bond portfolio that would otherwise be classified into the amortized cost category at fair value as the College manages and reports performance of it on a fair value basis. The College's interest rate swap is considered to be a derivative financial instrument and is included in this category.

They are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

(ii) Amortized cost

This category includes guaranteed investment certificates (GIC's), accounts receivable, long-term receivable, accounts payable and accrued liabilities, vacation pay, bank loans, term debt, long-term debt, and residence and culinary arts centre liability. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

1. **Significant Accounting Policies** (continued)

Financial instruments *(continued)*

Foreign currency translation

Transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Monetary assets and liabilities are translated at current rates of exchange with the resulting gains and losses recognized in the statement of operations.

Management estimates

The preparation of financial statements in conformity with PSAS for Government NPOs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. Areas of key estimation include determination of allowance for doubtful accounts, deferred revenue, actuarial estimation of post-employment benefits and compensated absences liabilities, construction in progress of the College's A Block building at Progress Campus, fair value of investments, fair value of the interest rate swap, amortization of capital assets, deferred capital contributions and asset retirement obligations.

Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use.This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

2. Financial Instrument Classification

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	2023		
	Fair Value	**Amortized Cost**	**Total**
Cash	**$120,775,472**	**$ -**	**$120,775,472**
Investments	**146,961,819**	**144,279,792**	**291,241,611**
Accounts receivable	**-**	**17,346,951**	**17,346,951**
Long-term receivable	**-**	**-**	**-**
Accounts payable and accrued liabilities	**-**	**72,456,721**	**72,456,721**
Accrued vacation pay	**-**	**15,111,404**	**15,111,404**
Bank loans	**-**	**751,999**	**751,999**
Term debt	**-**	**3,335,691**	**3,335,691**
Long-term debt	**-**	**14,033,456**	**14,033,456**
Interest rate swap	**144,734**	**-**	**144,734**

	2022		
	Fair Value	Amortized Cost	Total
Cash	$149,550,606	$ -	$149,550,606
Investments	70,063,871	80,565,270	150,629,141
Accounts receivable	-	13,386,463	13,386,463
Long-term receivable	-	2,366,926	2,366,926
Accounts payable and accrued liabilities	-	47,541,402	47,541,402
Accrued vacation pay	-	14,350,089	14,350,089
Bank loans	-	939,999	939,999
Term debt	-	4,180,764	4,180,764
Long-term debt	-	16,442,614	16,442,614
Interest rate swap	378,445	-	378,445

Investments consist of guaranteed investment certificates (GIC's), bonds and other investments related to the internally restricted and externally restricted net assets (see Notes 17 and 18). Maturity profile of investments held is as follows:

2. Financial Instrument Classification (continued)

	Within 1 year	2 to 5 years	6 to 10 years	Total Fair Value
March 31, 2023	**$ 128,349,920**	**$ 138,638,495**	**$ 22,784,072**	**$ 289,772,487**
	45%	**48%**	**8%**	**100%**

	Within 1 year	2 to 5 years	6 to 10 years	Total Fair Value
March 31, 2022	$ 94,857,987	$ 26,821,086	$ 28,950,068	$ 150,629,141
	63%	18%	19%	100%

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash	$120,775,472	$ -	$ -	$120,775,472
Investments	144,740,816	146,500,795	-	291,241,611
Interest rate swap	-	-	144,734	144,734
	$265,516,288	**$146,500,795**	**$ 144,734**	**$412,161,817**

2022	Level 1	Level 2	Level 3	Total
Cash	$149,550,606	$ -	$ -	$149,550,606
Investments	129,914,000	20,715,141	-	150,629,141
Interest rate swap	-	-	378,445	378,445
	$279,464,606	$ 20,715,141	$ 378,445	$300,558,192

There were no transfers from Level 1 to Level 2 for the year ended March 31, 2023 (2022 - Nil). There were no transfers in or out of Level 3 (2022 – Nil). For a sensitivity analysis of financial instruments recognized in Level 3, see Note 19 – Interest rate risk, as the prevailing interest rate is the most significant input into the fair value of the instrument.

3. Cash and Investments

The College's cash and investments include amounts restricted for specific purposes that are not available to be spent at the College's discretion. Cash and investments consist of guaranteed investment certificates (GICs), bond portfolios, other similar investments, and daily interest earned investments with interest earned at the Banker's Acceptance rate less 0.15%. The amounts available for operations are as follows:

	2023	2022
Cash	**$120,775,472**	$149,550,606
Investments	**291,241,611**	150,629,141
Total cash and investments	**412,017,083**	300,179,747
Less amounts restricted for:		
Cash held in trust	**5,813,823**	3,826,985
Endowments - externally restricted, less amounts receivable (Note 18)	**21,497,505**	19,930,504
Endowments - internally restricted, less amounts receivable (Note 17)	**23,257,688**	17,441,119
Deferred contributions (Note 13)	**6,717,073**	9,950,291
Restricted grants included as part of deferred revenue (Note 9)	**20,988,687**	16,632,403
Unspent deferred capital contributions less amounts receivable (Note 14, 15)	**1,063,811**	554,045
Unrestricted cash and investments	**$332,678,496**	$231,844,400
Internally restricted building fund (Note 17)	**18,848,755**	62,027,939
Net unrestricted cash (excluding building fund)	**$313,829,741**	$169,816,461

4. Centennial Residence and Culinary Arts Centre

The College has entered into an alternative financing arrangement for the construction and operation of the Centennial Residence and Culinary Arts Centre. Under the terms of this agreement the partner is responsible for constructing, maintaining and operating the student residence portion of the facility in exchange for an initial 49 year ground lease and the right to collect student residence fees over the same period. The College has agreed to sublease a portion of the facility over the same term for the operation of the School of Hospitality, Tourism and Culinary Arts in exchange for annual rent payments and an agreed upon pre-payment. The effective date of completion of the building was September 1, 2016.

As at September 1, 2016, the residence building was recorded as an asset valued at $84,492,191. The related liability has been proportionately split between deferred revenue and a financial liability. The initial deferred revenue was $58,769,465 which represents the College granting the partner the right to provide residence services to students of the College and receive the related rental fees, in exchange for the partner's capital investment in the facility. The amount of deferred revenue will be brought into income on a straight line basis over the term of the 49 year lease agreement. The initial financial liability of $25,722,726 represents the subleased premises for which the College is required to make annual rent payments. At September 1, 2016, the College had made prepayments of $6,430,433 to the partner, resulting in a net initial financial liability of $19,292,293. This financial liability was recorded at the present value of minimum lease payments going forward as in accordance with the terms of the 49 years lease agreement. The prepayment amount of $6,430,433 was borrowed from the International Student Scholarship Endowment Fund. The College is paying the fund interest of 5% annually until the amount is returned to the fund. Interest expense for the current year of $321,522 has been recorded to operating expenditures in the statement of operations.

As at March 31, 2023, the building has a net book value of $73,284,043 (2022 - $75,008,374) and accumulated amortization of $11,208,148 (2022 - $9,483,817).

Included in other income is $1,199,377 (2022 - $1,199,377) representing the amortization of the deferred revenue and included in other expenses is $10,044 (2022 - $9,258) representing the amortization of the service concession asset.

5. Prepaid Land Lease

The College has negotiated a land lease with the University of Toronto. This amount recorded as a prepaid land lease includes the original payment made to the University of Toronto less accumulated amortization for a ninety-nine year lease for land upon which the College has constructed the Morningside campus. The amount will be expensed over the term of the lease.

6. Long Term Receivable

The College has financed the construction costs of the (i) Progress Campus Student Centre and the (ii) Athletic and Wellness Centre on behalf of the Centennial College Student Association Inc. ("CCSAI"). The CCSAI has committed to contribute funds towards the revitalization of student spaces at the Centennial College Ashtonbee campus.

(i) Progress Campus Student Centre:

This receivable is unsecured, bears interest at prime minus 25 bps and is to be repaid through the collection of an annual student centre-building levy, which is collected from all full-time and part-time students.

(ii) Athletic and Wellness Centre:

construction costs – This receivable is unsecured, bears interest equal to the terms as noted in the term debt note (Note 11 (ii)) since debt was acquired to fund this construction. The cost will be repaid through the collection of an annual levy, which is collected from all full-time students.

(iii) Ashtonbee Campus:

The CCSAI has committed to contribute funds to the Ashtonbee Campus Renewal Project. This receivable is to be repaid through the collection of an annual levy, collected from all full-time and part-time students.

	2023	2022
Note receivable on the Student Centre	**$ -**	$ 208,432
Note receivable on Athletic and Wellness Centre	**1,844,648**	4,266,926
Note receivable on the Ashtonbee Campus	**-**	-
Less current portion included in accounts receivable	**(1,844,648)**	(2,108,432)
	$ -	$ 2,366,926

7. Construction in Progress

The Construction in progress (CIP) balance as at March 31, 2023 is $94,958,246 (2022 - $53,208,408). The balance includes $94,151,244 of costs incurred to date towards the planning and construction of an addition to the College's A Block building at Progress Campus. Designed as a mass timber structure, this project incorporates indigenous design principles towards realizing our indigenous framework as well as ambitious sustainability targets and will house the College's SETAS ICET programming, administrative offices, and the College's Indigenous studies, as well as several common spaces to drive forward our commitment to Truth and Reconciliation.

8. Capital Assets

	2023		2022	
			(Restated) (Note 22)	(Restated) (Note 22)
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land	**$ 5,924,536**	**$ -**	$ 5,924,536	$ -
Buildings	**426,022,443**	**166,151,560**	426,022,443	156,299,240
Buildings- AROs (Note 22)	**2,338,829**	**1,858,090**	2,338,829	1,789,413
Large machinery	**58,684,105**	**8,414,078**	18,297,421	6,548,350
Building improvements	**83,751,180**	**52,748,123**	82,141,274	45,454,763
Site improvements	**1,754,007**	**766,825**	1,682,425	635,468
Leasehold improvements	**10,124,710**	**5,070,602**	5,611,585	3,019,097
Computer software	**33,623,120**	**20,995,499**	31,907,587	16,208,012
Furniture, equipment and computers	**105,404,159**	**78,694,938**	93,810,669	66,896,692
	$727,627,089	**$334,699,715**	$667,736,769	$296,851,035
Net book value		**$392,927,374**		$370,885,734

Amortization expense for the year is $38,186,462 (2022 - $36,080,141) comprised of amounts relating to the prepaid land lease of $94,769 (2022 - $94,768) and capital assets of $38,091,693 (2022 - $35,985,373).

Included in Large machinery is a donated aircraft which has been measured at its fair value of $40,386,684 (2022 - $nil), with a corresponding increase to deferred capital contributions.

9. Deferred Revenue

	2023	2022
Advance tuition fees	**$219,823,272**	$160,613,529
Unexpended grants	**20,988,687**	16,632,403
Other	**7,347,231**	4,608,662
	$248,159,190	$181,854,594

10. Bank Loans

The College has a $30,000,000 (2022 - $30,000,000) operating line of credit. No amount has been drawn upon this operating line of credit as of March 31, 2023 (2022 - $nil). The College has $2,006,624 (2022 - $2,006,624) in letters of credit outstanding as of March 31, 2023. In addition, the College has an unused demand instalment loan facility of $2,145,000 (2022 - $2,145,000). The bank loan outstanding at year-end is as follows:

	2023	2022
Demand loan bearing interest at prime minus 25bps, repayable in monthly instalments of $15,667 excluding interest through 2027. This loan is secured by a general security agreement on all assets of the Student Association (Progress Campus Student Centre)	**$ 751,999**	$ 939,999

Assuming the demand loan is not called, the principal amounts due within the next four years are as follows:

2024	$ 188,000
2025	188,000
2026	188,000
2027	187,999
	$ 751,999

11. Term Debt and Long-term Debt

(i) The College has partially financed the acquisition of the T-Block (previous student residence) building through an unsecured non-revolving swap bank loan, repayable in monthly installments of $90,900 principal and interest and is due on demand. The College has fixed its interest rate at 6.82% through an interest rate swap for the term of the loan. The interest rate includes a credit spread of 0.35%. The interest rate swap is a derivative financial instrument. It has effectively locked in a fixed rate through 2026.

The fair value of the interest rate swap (in favour of the counterparty) of $144,734 (2022 - $378,445) is recorded in the statement of remeasurement.

11. Term Debt and Long-term Debt (continued)

(ii) The College has partially financed the building of the Athletic & Wellness Centre, Progress Campus through a fifteen year unsecured term loan from the Ontario Financing Authority (OFA). The term loan carries interest, compounded semi-annually, equal to the Province of Ontario's cost of funds for a fifteen-year amortizing bond plus 0.40%. The maturity date of the term loan is November 30, 2026.

(iii) The College has partially financed the construction of the library and student hub at Ashtonbee Campus through a fifteen year unsecured term loan from the Ontario Financing Authority (OFA). The term loan carries interest equal to the Province of Ontario's cost of funds for a fifteen-year amortizing bond plus 0.275%. The maturity date of the term loan is September 26, 2029.

	2023	2022
Term debt on the T-Block (Note i)	**$ 3,335,691**	$ 4,180,764

Long-term Debt

	2023	2022
OFA loan on the Athletic & Wellness Centre (Note ii)	**$ 5,547,553**	$ 6,811,662
OFA loan on the Library - Ashtonbee Campus (Note iii)	**8,485,903**	9,630,952
Total long term debt	**14,033,456**	16,442,614
Less: current portion	**(2,496,579)**	(2,409,159)
	$ 11,536,877	$ 14,033,455

Assuming the demand loan is not called (note i), the principal amounts due within the next five years are as follows:

	Student Residence	**Athletic & Wellness Centre**	**Ashtonbee Campus Library**	**Total**
2024	$ 901,400	$ 1,311,417	$ 1,185,162	$ 3,397,979
2025	961,482	1,360,495	1,226,680	3,548,657
2026	1,025,568	1,411,410	1,269,653	3,706,631
2027	447,241	1,464,231	1,314,131	3,225,603
2028	-	-	1,360,167	1,360,167
2029	-	-	2,130,110	2,130,110
	$ 3,335,691	$ 5,547,553	$ 8,485,903	$ 17,369,147

12. Post-Employment Benefits and Compensated Absences

The following tables outline the components of the College's post-employment benefits and compensated absences liabilities and the related income and expenses.

	2023			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	**$ 1,812,000**	**$ 8,475,000**	**$ 183,000**	**$ 10,470,000**
Value of plan assets	**(431,000)**	**-**	**-**	**(431,000)**
Unamortized actuarial gains (losses)	**35,000**	**(3,115,000)**	**(11,000)**	**(3,091,000)**
Total liability	**$ 1,416,000**	**$ 5,360,000**	**$ 172,000**	**$ 6,948,000**

	2022			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 1,606,000	$ 7,268,000	$ 230,000	$ 9,104,000
Value of plan assets	(430,000)	-	-	(430,000)
Unamortized actuarial gains (losses)	68,000	(2,078,000)	(69,000)	(2,079,000)
Total liability	$ 1,244,000	$ 5,190,000	$ 161,000	$ 6,595,000

	2023			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Current year benefit cost	**$ 205,000**	**$ 700,000**	**$ 9,000**	**$ 914,000**
Interest on accrued benefit obligation	**4,000**	**219,000**	**6,000**	**229,000**
Amortized actuarial (gains) losses	**(26,000)**	**74,000**	**54,000**	**102,000**
Total expense	**$ 183,000**	**$ 993,000**	**$ 69,000**	**$ 1,245,000**

12. Post-Employment Benefits and Compensated Absences (continued)

	2022			
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Current year benefit cost	$ (154,000)	$ 654,000	$ 9,000	$ 509,000
Interest on accrued benefit obligation	2,000	142,000	4,000	148,000
Amortized actuarial (gains) losses	(19,000)	195,000	71,000	247,000
Total expense (recovery)	$ (171,000)	$ 991,000	$ 84,000	$ 904,000

Above amounts exclude pension contributions to the Colleges of Applied Arts and Technology pension plan, a multi-employer plan, described below.

Retirement benefits

CAAT Pension Plan

Employees of the College are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly-sponsored defined benefit plan for eligible employees public colleges and related employers in Ontario. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. The most recent triennial actuarial valuation filed with pension regulators as at January 1, 2023 indicated an actuarial surplus of $4.7 billion (2022 - $4.4 billion). The College made contributions to the Plan and its associated retirement compensation arrangement of $16,669,269 in 2023 (2022 - $16,195,728), which has been included in the statement of operations

12. Post-Employment Benefits and Compensated Absences (continued)

Post-employment benefits

The College extends post employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employees' tenure of service. The College also provides continuation of medical and dental benefits to certain employee groups while receiving long-term disability benefits. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The major actuarial assumptions employed for the valuation are as follows:

(a) Discount rate

The present value of employee future benefits as at March 31, 2023 was determined using a discount rate of 1.70% (2022 – 1.60%), while the 2023 period expense was calculated using a discount rate 3.40% (2022 – 2.90%)

(b) Drug costs

Drug costs increases were assumed to increase at a rate of 6.16% per annum in 2023 (2022 - 6.29%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2040.

(c) Hospital and other medical

Hospital and other medical costs were assumed to increase at 6.16% per annum (2022 – 6.29%).

Medical premium increases were assumed to increase at 6.16% per annum in 2023 (2022 - 6.29%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2040.

(d) Dental costs

Dental costs were assumed to increase at 4.0% per annum (2022 - 4.0%).

(e) Retirement rates

3.10% per annum starting at eligibility for reduced pension, increasing to 16% per annum after reaching eligibility for unreduced pension, with the remainder at age 65.

(f) Expected return on assets

For the fiscal 2023 disclosure, expected return on assets was assumed to increase at 1.50% (2022 - 0.85%) per annum.

12. Post-Employment Benefits and Compensated Absences (continued)

Compensated absences

Vesting Sick Leave

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

Non-Vesting Sick Leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

The assumptions used in the valuation of vesting and non-vesting sick leaves are the College's best estimates of expected rates of:

	2023	2024	Thereafter
Wage and salary escalation - support staff	1.00%	1.00%	1.00%
Wage and salary escalation - academic staff	1.00%	1.00%	1.00%

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 26.2% and 0 to 51 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

13. Deferred Contributions

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	2023	2022
Balance, beginning of year	**$ 9,950,291**	$ 8,599,106
Less amounts recognized as revenue in the year	**(5,885,424)**	(6,894,134)
Add amounts received during the year	**2,652,206**	8,245,319
Balance, end of year	**$ 6,717,073**	$ 9,950,291

Comprised of:

	2023	2022
Scholarship and bursaries	**$ 3,914,015**	$ 3,408,293
Endowment interest funds - internally restricted	**-**	3,064,765
Endowment interest funds - externally restricted	**2,200,172**	2,972,897
Joint employment stability reserve	**602,886**	504,336
	$ 6,717,073	$ 9,950,291

14. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. The changes in the deferred capital contributions balances are as follows:

	2023	2022
Balance, beginning of year	**$154,280,727**	$159,252,756
Less amortization of deferred capital contributions	**(11,671,895)**	(9,971,525)
Add contributions received for capital purposes	**47,738,006**	4,999,496
Balance, end of year	**$190,346,838**	$154,280,727

As at March 31, 2023 there were $994,183 2022 $517,758 of deferred capital contributions received which were not spent.

15. Deferred Capital Contributions Relating to Construction in Progress

Deferred capital contributions relating to construction in progress represents the amount of restricted funding received for capital projects currently in progress.

	2023	2022
Balance, beginning of year	**$ 36,287**	$ 1,332
Add contributions received for capital purposes	**33,341**	34,955
Balance, end of year	**$ 69,628**	$ 36,287

As at March 31, 2023, unspent deferred capital contributions received relating to construction in progress were $69,628 (2022 - $36,287).

16. Investment in Capital Assets

a) Investment in capital assets represents the following:

	2023	2022
		(Restated) (Note 22)
Capital assets (Note 8)	**$392,927,374**	$370,885,734
Construction in progress (Note 7)	**94,958,246**	53,208,408
Less:Net book value of capitalized asset retirement obligations	**(480,739)**	(549,416)
	$487,404,881	$423,544,726
Less amounts financed by:		
Residence and culinary arts centre liability	**19,164,080**	19,174,124
Residence and culinary arts centre deferred revenue	**50,973,515**	52,172,892
Accounts payable and accrued liabilities	**2,919,695**	2,289,284
Term debt (Note 11)	**17,369,147**	20,623,378
Deferred capital contributions - spent (Notes 14, 15)	**189,352,655**	153,762,969
Balance, end of year	**$207,625,789**	$175,522,079

b) Change in net assets invested in capital assets is calculated as follows:

	2023	2022
		(Restated) (Note 22)
Excess (deficiency) of revenue over expenses:		
Amortization of deferred capital contributions related to capital assets (Note 14)	**$ 11,671,895**	$ 9,971,525
Amortization of capital assets (Note 8)	**(38,091,693)**	(35,985,373)
Amortization of asset retirement obligations	**68,677**	68,677
	$ (26,351,121)	$ (25,945,171)
Net change in investment in capital assets		
Purchase of capital assets and CIP	**$101,883,171**	$ 54,059,004
Amount funded by deferred capital contributions	**(47,261,581)**	(7,868,929)
Amounts funded by account payable	**(630,411)**	(242,905)
Amounts funded by residence and culinary arts centre liability	**10,044**	9,258
Amounts funded by residence and culinary arts centre deferred revenue	**1,199,377**	1,199,377
Repayment of term debt and long term debt	**3,254,231**	3,117,068
	58,454,831	50,272,873
	$ 32,103,710	$ 24,327,702

17. Internally Restricted Net Assets

Internally restricted net assets represents money set aside by College senior management towards:

(i) An international student scholarship endowment fund established by the College senior management and approved by the Board of Governors. Contributions to this fund includes an annual amount equal to 1% of international education tuition fees, matching funds from the College on certain donation campaigns, annual adjustments to the group insurance premiums paid for international students and other discretionary transfers from the College. During the year, $6,251,974 (2022 - $2,243,491) was transferred into the International student scholarship endowment fund and matching funds from the General Fund and $435,405 (2022 - $54,000) was disbursed from the fund to be used to directly award international student scholarships. As of March 31, 2023, the College's internally restricted scholarship and fundraising fund amounted to $23,257,688 (2022 – $17,441,119).

(ii) A building improvements fund is a internally restricted building improvement fund approved by the College Board of Governors to provide the necessary resources required for the realization of the college's master campus plan. During the year, $43,179,184 (2022 - $25,442,645) was transferred to the general fund to be invested in buildings. As at March 31, 2023, the College's internally restricted building improvements fund amounted to $18,848,755 (2022 - $62,027,939), the use of these funds represents disbursements towards the College's A Block Expansion Project.

18. Externally Restricted Net Assets

Externally restricted net assets include restricted donations received by the College where the endowment principal is required to be maintained intact. The investment income generated from these endowments must be used in accordance with the various purposes established by donors. The College ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Investment income on externally restricted endowments that was disbursed during the year has been recorded in the statement of operations since this income is available for disbursement as scholarships and bursaries and the donors' conditions have been met. The unspent portion of investment income is recorded in deferred contributions.

Externally restricted endowment funds include grants provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund (OSOTF) and the Ontario Trust for Student Support (OTSS). Under these programs, the government matched funds raised by the College. The purpose of the program was to assist academically qualified individuals who, for financial reasons, would not otherwise be able to attend College.

18. Externally Restricted Net Assets (continued)

Schedule of Changes in Endowment Fund Balances for the Year Ended March 31,

			2023		
	OSOTF I	**OSOTF II**	**OTSS**	**Other**	**Total**
Fund balance, beginning of year	**$ 343,800**	**$ 1,391,901**	**$11,949,080**	**$ 6,245,723**	**$19,930,504**
Cash donations received	**-**	**-**	**-**	**1,567,001**	**1,567,001**
Fund balance, end of year	**$ 343,800**	**$ 1,391,901**	**$11,949,080**	**$ 7,812,724**	**$21,497,505**

			2022		
	OSOTF I	OSOTF II	OTSS	Other	Total
Fund balance, beginning of year	$ 343,800	$ 1,391,901	$11,928,080	$ 5,853,459	$19,517,240
Cash donations received	-	-	21,000	392,264	413,264
Fund balance, end of year	$ 343,800	$ 1,391,901	$11,949,080	$ 6,245,723	$19,930,504

Schedule of Changes in Expendable Funds Available for Awards For the Year Ended March 31,

			2023		
	OSOTF I	**OSOTF II**	**OTSS**	**Other**	**Total**
Balance, beginning of year	**$ 88,690**	**$ 337,292**	**$ 1,995,211**	**$ 523,185**	**$ 2,944,378**
Investment income, net of direct investment related expenses	**(8,457)**	**(34,238)**	**(293,946)**	**(24,489)**	**(361,130)**
Bursaries awarded	**-**	**(12,000)**	**(319,822)**	**(51,273)**	**(383,095)**
Balance, end of year	**$ 80,233**	**$ 291,054**	**$ 1,381,443**	**$ 447,423**	**$ 2,200,153**
Bursaries awarded (#)	**-**	**9**	**165**	**139**	**313**

			2022		
	OSOTF I	OSOTF II	OTSS	Other	Total
Balance, beginning of year	$ 68,312	$ 269,767	$ 1,463,978	$ 405,665	$ 2,207,722
Investment income, net of direct investment related expenses	20,378	82,503	709,533	397,020	1,209,434
Bursaries awarded	-	(14,978)	(178,300)	(279,500)	(472,778)
Balance, end of year	$ 88,690	$ 337,292	$ 1,995,211	$ 523,185	$ 2,944,378
Bursaries awarded (#)	-	11	314	134	459

19. Financial Instrument Risk Management

Credit risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, investments, debt holdings in its investment portfolio, long-term receivable and accounts receivable. The College holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to $100,000 (2022 - $100,000).

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

The College's investment policy operates within the constraints of the investment guidelines issued by the Ministry of Colleges and Universities ("MCU") and puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management during the year. The guidelines permit the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality having a rating of A or better, or corporate investments having a rating of A (R-1) or better.

Credit risk on accounts receivable and long-term receivables are mitigated by financial and system controls on past due accounts.

The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections.

The amounts outstanding at year end were as follows:

Amount past due	**2023**				
	Total	**Current**	**> 30 days**	**61 - 90 days**	**> 90 days**
Government receivables	**$ 2,319,146**	**$ 2,319,146**	**$ -**	**$ -**	**$ -**
Student receivables	**4,423,410**	**233,137**	**73,963**	**2,422,325**	**1,693,985**
Non student receivables	**1,205,629**	**727,205**	**294,488**	**43,574**	**140,362**
Other receivables	**11,866,861**	**11,866,861**	**-**	**-**	**-**
Gross receivables	**$19,815,046**	**$15,146,349**	**$ 368,451**	**$ 2,465,899**	**$ 1,834,347**
Less: impairment allowances	**$ (2,468,095)**				
Net receivables	**$17,346,951**				
Long-term receivables	**$ -**				

19. Financial Instrument Risk Management (continued)

Amount past due	2022				
	Total	Current	> 30 days	61 - 90 days	> 90 days
Government receivables	$ 662,107	$ 662,107	$ -	$ -	$ -
Student receivables	3,459,130	102,581	35,606	1,761,154	1,559,789
Non student receivables	1,270,993	898,614	138,027	56,756	177,596
Other receivables	10,018,068	10,018,068	-	-	-
Gross receivables	$15,410,298	$11,681,370	$ 173,633	$ 1,817,910	$ 1,737,385
Less: impairment allowances	$ (2,023,835)				
Net receivables	$13,386,463				
Long-term receivables	$ 2,366,926				

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

The College's investment policy operates within the constraints of the investment guidelines issued by the Ministry of Colleges and Universities. The policy's application is monitored by management and the Board of Governors. Diversification techniques are utilized to minimize risk.

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Currency risk

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign College levels when adverse changes in foreign currency College rates occur. The College carries a bank balance and conducts transactions in both US dollars and Canadian dollars. The College also holds bank accounts in Australia, India, Singapore and South Korea; however, the College does not conduct material transactions in currencies other than US and Canadian dollars. The College mitigates currency risk by demanding payment of receivables in Canadian or US dollars and the College employs a natural hedge by directing the College's US dollar holdings to support foreign operations.

19. Financial Instrument Risk Management (continued)

Currency risk (continued)

The College has the following financial instruments denominated in foreign currencies:

2023

Cash	Currency	Amount in Foreign Currency	Exchange Amount	Exchange Rate (%)	Amount in Canadian Dollars
United States Dollars	USD	$ 3,618,538	$ 1,278,429	135.33%	$ 4,896,967
Australian Dollars	AUD	5,909	(555)	90.60%	5,354
Indian Rupee	INR	2,280,388	(2,242,830)	1.65%	37,557
Singapore Dollar	SGD	923	16	101.76%	939
South Korean Wan	KRW	67,893,141	(67,822,735)	0.10%	70,405
Vietnam Dollars	VND	1,288,280,860	(1,288,203,563)	0.01%	77,296
					$ 5,088,518

Accounts Payable and Accrued Liabilities

United States Dollars	USD	130,664	46,163	135.33%	176,828

2022

Cash	Currency	Amount in Foreign Currency	Exchange Amount	Exchange Rate (%)	Amount in Canadian Dollars
United States Dollars	USD	$ 3,664,437	$ 914,643	124.96%	$ 4,579,080
Australian Dollars	AUD	610	(39)	93.64%	571
Indian Rupee	INR	21,635,443	(21,279,107)	1.65%	356,336
Singapore Dollar	SGD	27,599	(2,136)	93.53%	25,463
South Korean Wan	KRW	95,100,089	(95,002,231)	0.10%	97,858
Vietnam Dollars	VND	195,913,939	(195,904,143)	0.01%	9,796
					$ 5,069,104

Accounts Payable and Accrued Liabilities

United States Dollars	USD	148,412	37,044	124.96%	185,455

There has been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

19. Financial Instrument Risk Management (continued)

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The College is exposed to this risk through its interest bearing investments and bank loans.

The College mitigates interest rate risk on its term debt through a derivative financial instrument that exchanges the variable rate inherent in the term debt for a fixed rate (see Note 11 (i)). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

At March 31, 2023, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of the interest rate swap of $59,300 (2022 - $99,900)

A 1% fluctuation in interest rates would have an estimated impact on interest expense related to the College's bank loans of $8,460 (2022 – $2,485)

The College's investment portfolio has interest rates ranging from 1.75% to 7.00% with maturities ranging from June 2, 2023 to June 2, 2025. As at March 31, 2023, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of investments of $3,878,522 (2022 - $367,642)

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Liquidity risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and by maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities assuming demand loans are not called):

	2023				
	Within 6 months	**6 months to 1 year**	**1 - 5 years**	**> 5 years**	**Total**
Accounts payable and accrued liabilities	**$72,456,721**	**$ -**	**$ -**	**$ -**	**$72,456,721**
Bank loans	**94,000**	**94,000**	**563,999**	**-**	**751,999**
Term debt	**1,680,596**	**1,717,383**	**11,841,058**	**2,130,110**	**17,369,147**
Lease liability	**6,428**	**10,825**	**53,677**	**19,093,150**	**19,164,080**
	$74,237,745	**$ 1,822,208**	**$12,458,734**	**$21,223,260**	**$109,741,947**

19. Financial Instrument Risk Management (continued)

Liquidity risk (continued)

	2022				
	Within 6 months	6 months to 1 year	1 - 5 years	> 5 years	Total
Accounts payable and accrued liabilities	$47,541,402	$ -	$ -	$ -	$47,541,402
Bank loans	94,000	94,000	751,999	-	939,999
Term debt	1,609,567	1,644,665	13,878,869	3,490,277	20,623,378
Lease liability	4,853	5,192	46,537	19,117,542	19,174,124
	$49,249,822	$ 1,743,857	$14,677,405	$22,607,819	$88,278,903

Derivative financial liabilities mature as described in Note 11.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity prices. The College is exposed to this risk through its investments held in securities.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

20. Commitments and Contingencies

The College is committed to estimated minimum annual payments under operating lease agreements over the next five years and thereafter as follows:

2024	$ 1,017,795
2025	985,243
2026	604,903
2027	399,919
2028	293,701
Thereafter	3,029,141
Total commitments	$ 6,330,702

The College expects to spent $113 million on the construction of its A Block building at Progress Campus and has signed an agreement related to the construction of the A Block building at progress Campus for total cost of $92,400,000. As of March 31, 2023, the college has incurred $90,179,955 (2022 - $53,208,408) in relation to the construction of the building based on a percentage of completion method which has been included in Note 7. The outstanding commitment as of March 31, 2023 is $2,220,045 (2022 - $31,791,592).

The College has been named as a defendant in several litigations alleging actual and punitive damages. The College has made a provision management believes will be sufficient based on the amount of the claims, however management is not able to determine the final outcome of these claims. Settlement, if any, will be accounted for during the period of resolution.

21. Contingent Liability

Effective June 2019, the Province of Ontario enacted Bill 124 “Protecting a Sustainable Public Sector for Future Generations Act, 2019”. This legislation limited compensation increases to 1.0% per year for a three-year moderation period for both unionized and non-unionized employees in the Ontario public sector. The starting dates of the moderation period varied across entities and employee groups. On November 29, 2022, the Ontario Superior Court of Justice struck down Bill 124, finding it unconstitutional and declaring it to be “void and of no effect”. On December 29, 2022, the Ontario government filed a Notice of Appeal with the Ontario Court of Appeal. The impact, if any, to the organization as a result of the Ontario Superior Court decision is not determinable at this time. As such, no provision has been made in the financial statements.

22. Change in Accounting Policy

Effective April 1, 2022, the College adopted new Public Sector Accounting Handbook Standard, Section PS 3280, Asset Retirement Obligations. As a result of the adoption, the presentation of the financial statements changed from the prior year. The standard requires an obligation to be recognized related to legal obligations associated with the retirement of capital assets.`

This change in accounting policy has been applied retroactively with restatement of prior periods, using the modified retrospective approach. The impact of the adoption of this standard was as follows:

	2022
Statement of Operations	
Increase in Supplies, equipment and other expenses	$ 190,296
Increase in amortization expense	68,677
Decrease in excess of revenue over expenses for the year	(258,973)
Statement of Financial Position	
Increase in capital assets (net book value)	$ 549,416
Increase in asset retirement obligations	5,922,112
Decrease in opening unrestricted net assets	5,113,723

23. Asset Retirement Obligation

The College's financial statements include an asset retirement obligation for the remediation of asbestos contained within campus buildings. The related asset retirement costs are being amortized on a straight line basis. The liability has been estimated using a net present value technique with a discount rate of 3.32% (2022 - 3.32%). The estimated total undiscounted future expenditures are $7.690M (2022 - $7.690M), which are expected to be incurred in 7 years, which is the estimated remaining useful life of the buildings.

	2023	2022
Balance, beginning of year	**$ 5,922,112**	$ 5,731,816
Add: accretion costs	**196,614**	190,296
Asset retirement obligation, closing	**$ 6,118,726**	$ 5,922,112

24. Comparative Figures

Certain comparative figures included in these financial statements have been reclassified to conform to the presentation adopted for the current year.

The Centennial College of Applied Arts & Technology
Schedule of Grants and Reimbursements
Schedule 1

For the year ended March 31	2023	2022
General operating grant	**$ 47,649,848**	$ 51,603,965
Apprenticeship	**9,670,216**	8,064,369
Special project grants	**13,224,690**	11,642,443
Grant in lieu of municipal taxation	**645,450**	654,375
Sick leave gratuities	**115,378**	-
Other grants	**6,677,650**	6,405,003
	$ 77,983,232	$ 78,370,155

The accompanying notes are an integral part of these financial statements.

The Centennial College of Applied Arts & Technology
Schedule of Ancillary Operations
Schedule 2

For the year ended March 31

	2023					
	Bookstores	Centennial Place	Parking	Food Service	MyCard	Total
Revenue	$ 222,635	$ 258,955	$ 2,531,856	$ 99,481	$ 619,699	$ 3,732,626
Expenditures						
Cost of goods sold	-	-	434,527	-	-	434,527
Salaries and benefits	77,816	-	-	-	183,868	261,684
Rent and taxes	-	-	149,727	-	-	149,727
Contract services	-	-	677,451	27,327	5,668	710,446
Other operating expense	-	-	1,133,807	1,887	19,980	1,155,674
	77,816	-	2,395,512	29,214	209,516	2,712,058
Excess of revenue over expenditures	$ 144,819	$ 258,955	$ 136,344	$ 70,267	$ 410,183	$ 1,020,568

The accompanying notes are an integral part of these financial statements.

The Centennial College of Applied Arts & Technology
Schedule of Ancillary Operations
Schedule 2

For the year ended March 31

	2022					
	Bookstores	**Centennial Place**	**Parking**	**Food Service**	**MyCard**	**Total**
Revenue	$ 237,626	$ 230,506	$ 832,664	$ 17,255	$ 322,330	$ 1,640,381
Expenditures						
Cost of goods sold	-	-	133,315	-	6,325	139,640
Salaries and benefits	75,764	-	-	-	174,383	250,147
Rent and taxes	-	-	161,461	-	-	161,461
Contract services	-	-	434,136	4,200	-	438,336
Other operating expense	-	-	801,423	1,780	151,706	954,909
	75,764	-	1,530,335	5,980	332,414	1,944,493
Excess (deficiency) of revenue over expenditures	$ 161,862	$ 230,506	$ (697,671)	$ 11,275	$ (10,084)	$ (304,112)

The accompanying notes are an integral part of these financial statements.